



**STATEMENT OF PROCEEDINGS
FOR THE REGULAR MEETING OF THE
LOS ANGELES COUNTY AUDIT COMMITTEE
KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET, ROOM 525
LOS ANGELES, CALIFORNIA 90012**

Thursday, May 21, 2015

10:30 AM

AUDIO LINK FOR THE ENTIRE MEETING. (15-2502)

Attachments: [AUDIO](#)

Present: Lori Glasgow, Vice Chair James Blunt, Dorinne Jordan, Kieu-Anh King and Carl Gallucci

I. ADMINISTRATIVE MATTERS

1. Call to Order. (15-2011)

The meeting was called to order by James Blunt at 10:41 a.m.

2. Approval of the March 19, 2015 meeting minutes (Continued from the meeting of 4/16/15). (15-1515)

On motion of Kieu-Anh King, seconded by Dorinne Jordan, this item was approved.

Attachments: [SUPPORTING DOCUMENT](#)

3. Approval of April 16, 2015 meeting minutes. (15-2108)

On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was approved.

Attachments: [SUPPORTING DOCUMENT](#)

II. BOARD POLICIES

4. Recommendation to extend the sunset review date of Board Policy No. 3.070 - County - Sponsored Event to be Disabled Accessible, to June 23, 2020 (4/13/15). (15-2086)

On motion of Dorinne Jordan, seconded by James Blunt, this item was approved.

Attachments: [SUPPORTING DOCUMENT](#)

5. Recommendation to extend the sunset review date of Board Policy No. 5.020 - Reporting Requirement for Bids/Contracts over \$10,000, to July 18, 2019 (4/29/15). (15-2030)

On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was approved.

Attachments: [SUPPORTING DOCUMENT](#)

6. Recommendation to extend the sunset review date of Board Policy No. 5.080 - Final Contract Award Authority, to July 24, 2021 (5/6/15). (15-2157)

On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was approved.

Attachments: [SUPPORTING DOCUMENT](#)

7. Recommendation to review substantive changes to Board Policy No. 3.020 - Clean Fuel - Sustainable Fleet, extend the sunset review date to March 31, 2019 and direct the Department to submit the policy to the Board of Supervisors for final approval (5/14/15). (15-1545)

On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was approved.

Attachments: [SUPPORTING DOCUMENT](#)

8. Recommendation to review additional changes to Board Policy No. 3.045 - Energy and Environmental Policy and direct the Department to submit the policy to the Board of Supervisors for final approval (5/14/15). (14-5040)

Kieu-Anh King addressed the Committee's concerns regarding the process, language, and the framework involved in amending the policy.

Aaron Klemm and Joe Sandoval, Internal Services Department (ISD), confirmed their understanding of the process required to move forward with ISD's proposed changes and recommendations regarding this policy.

In regards to the framework involved, the policy will be submitted to the Operations Cluster for their review prior to Board approval which is tentatively scheduled for June 2, 2015. Mr. Sandoval also provided clarification regarding the First District's motion and their requested changes; it was reported that current changes included in the Leadership Committee are references to Environmental Justice, Government Code, Community Development Commission, Department of Parks and Recreation and the Department of Public Health.

On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was continued to the next meeting.

Attachments: [SUPPORTING DOCUMENT](#)

III. SUNSET REVIEW

9. Recommend to the Board of Supervisors to extend the Los Angeles County Parks and Recreation Commission sunset review date to May 1, 2016 (5/13/15). (15-2288)

On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was approved.

Attachments: [SUPPORTING DOCUMENT](#)

IV. OLD BUSINESS

10. Recommendation to extend the sunset review date of Board Policy No. 3.120 - Departmental Conflict of Interest and Disclosure Codes, to March 20, 2019 (Continued from the meetings of 1/21/15, 2/19/15, 3/19/15 and 4/16/15). (15-0361)

On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was approved.

Attachments: [SUPPORTING DOCUMENT](#)

11. Recommendation to extend the sunset review date of Board Policy No. 5.100 - Sole Source Contracts, to February 6, 2018 and submit to the Board of Supervisors for final action (4/9/15)(Continued from the meeting of 4/16/15). (15-1699)

On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was continued to the next meeting.

Attachments: [SUPPORTING DOCUMENT](#)

12. Report Back on the County's Sole Source Policy; and Report Back on an Information Technology Database (Item 17, Agenda of January 27, 2015)(3/26/15)(Continued from the meeting of 4/16/15). (15-1537)

On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was continued to the next meeting.

Attachments: [SUPPORTING DOCUMENT](#)

13. Draft 2015-16 Audit Plan (Continued from the meeting of 3/19/15). (15-1123)

Arlene Barrera, Auditor-Controller, provided a brief update regarding the Draft Audit Plan and answered questions posed by the Committee. Ms. Barrera reported that a two year plan, requested by the Second District, will be submitted to the Board of Supervisors as well as to the Audit Committee by June 2015.

On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

V. REPORTS

14. Fiscal Year 2013-14 Single Audit Report (4/6/15). (15-2101)

Jim Godsey, Partner, Macias Gini & O'Connell LLP (MGO), provided an overview of the Single Audit Report for Fiscal Year 2013-14. Mr. Godsey informed Committee Members that the Single Audit Report focuses on County financial assistance. Jean Horimoto, Manager, MGO, explained to the Committee Members that there were three findings during the audit, pertaining to the reporting of expenditure over Federal Awards.

In response to Dorinne Jordan, Mr. Godsey informed the Committee that it is responsibility of the funding source to request a refund.

On motion of Carl Gallucci, seconded by Kieu-Anh King, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

15. Macias Gini O'Connell LLP Statement on Auditing Standards (SAS) 114 Communication for Fiscal Year 2013-14 (3/31/15). (15-2103)

James Godsey, Macias Gini & O'Connell LLP (MGO), provided an overview of the Statement on Auditing Standards (SAS) 114 Communication for Fiscal Year 2013-14. Mr. Godsey further informed the Committee that the letter provided a recap from the MGO Auditor side of what was performed.

In response to Dorinne Jordan, Mr. Godsey informed confirmed that 2015 will be the first year that the County will show seven billion dollars as a liability and that every local government will also have high numbers.

On motion of Carl Gallucci, seconded by Kieu-Anh King, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

16. Macias Gini O'Connell LLP Planning and Communication for Fiscal Year 2014-15 (4/28/15). (15-2105)

James Godsey, Macias Gini & O'Connell LLP (MGO), provided an overview of the letter regarding the Planning and Communication for the next fiscal year.

In response to Kieu-Anh King, Mr. Godsey informed the Committee that any changes relating to the pension plans will be reflected on future reports.

On motion of Carl Gallucci, seconded by Kieu-Anh King, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

17. Fiscal Year 2014-2015 Cash Flow Projection (4/14/15). (15-2018)

On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

18. Department of Public Health - Information Technology and Security Policies Review (4/20/15). (15-2019)

On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was continued to the next meeting.

Attachments: [SUPPORTING DOCUMENT](#)

19. Department of Mental Health Service Providers Fiscal Monitoring - Fiscal Years 2009-10 and 2011-12 (4/23/15). (15-2020)

Elaine Boyd, Auditor-Controller (A-C), reported that the Department of Mental Health will provide a presentation regarding this item at a future meeting.

On motion of Dorinne Jordan, seconded by Lori Glasgow, this item was continued to June 2015.

Attachments: [SUPPORTING DOCUMENT](#)

20. District Attorney's Asset Forfeiture Fund (4/27/15). (15-2022)

On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

21. Status Report - Extension Request for the L.A. Care Health Plan Financial Condition Follow-up Review (Board Agenda Item 37, March 17, 2015)(4/29/15). (15-2023)

On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

22. Violence Intervention Program - A Department of Mental Health Service Provider - Program Review (4/29/15). (15-2031)

On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

23. Department of Public Social Services - Electronic Benefit Transfer Cards Review (4/30/15). (15-2084)

On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was continued to the next meeting.

Attachments: [SUPPORTING DOCUMENT](#)

24. Admiral Home Health, Inc. - A Department of Health Services Home Health Services Contract Service Provider - Contract Compliance Review (4/30/15). (15-2085)

Agenda Item Nos. 24 and 25 were discussed jointly.

Aggie Alonso, Auditor-Controller, reported that Admiral Home Health, Inc., and Admiral Hospice Care, Inc., are separate legal entities; however, they have the same owner.

Mr. Alonso provided financial liability information about Admiral Home Health, Inc.; he reported that their unaudited 2014 financial statements are reporting positive net assets and some operating income. Mr. Alonso reported that the undocumented loans are forgiven and will provide information on the agency's existence. Additionally, the Department of Health Services (DHS) is working on implementing the recent recommendations and can provide an update at a future meeting.

In regards to Admiral Hospice Care, Inc., Mr. Alonso reported that DHS forgave this agency's undocumented loan and that there was no misuse of funds; and DHS is taking action accordingly. Mr. Alonso will provide information regarding this agency's existence at a future meeting.

On motion of Dorinne Jordan, seconded by Carl Gallucci, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

25. Admiral Hospice Care, Inc. - A Department of Health Services Hospice Services Contract Service Provider - Contract Compliance Review (4/30/15). (15-2095)

This Item was discussed under Agenda Item No. 24.

On motion of Dorinne Jordan, seconded by Carl Gallucci, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

26. South Bay Family Health Care - A Department of Public Health Division of HIV and STD Programs Provider-Contract Compliance Review (4/30/15). (15-2087)

On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was continued to the next meeting.

Attachments: [SUPPORTING DOCUMENT](#)

27. Alcott Center for Mental Health Services - A Department of Mental Health Service Provider - Program Review (5/01/15). (15-2088)

On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

28. Telecare Corporation - A Department of Mental Health Service Provider - Contract Compliance Review (5/4/15). (15-2098)

On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

29. Department of Children and Family Services - Public Transit Passes and Tokens Review (5/8/15). (15-2289)

On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was continued to the next meeting.

Attachments: [SUPPORTING DOCUMENT](#)

30. Regional Park and Open Space District Proposition a Grant Audits (5/11/15). (15-2237)

On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

31. Semi-Annual Fraud Hotline Status Report - July 1, 2014 through December 31, 2014 (5/11/15). (15-2247)

On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

32. Contractor Alert Reporting Database Status Report - May 2015 (5/13/15). (15-2283)

On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

VI. DISCUSSION AND ACTION ITEMS

33. Discussion on the audit of Palantir Technologies, Inc., as requested by the Board of Supervisors on April 14, 2015. (15-2189)

Robert Campbell, Auditor-Controller (A-C), reported that they are in the process of conducting their review and no conclusions have been made at this time.

34. Discuss and take appropriate action regarding the process and timing of potential changes to the Labor Management Advisory Committee. (15-2191)

Lori Glasgow questioned the Audit Committee's role in reviewing the Labor Management Advisory Committee (LMAC); Robert Smythe, Auditor-Controller, explained that the Committee does not have a decision making role in reviewing the LMAC due to the Memorandum of Understanding. Dorinne Jordan indicated that the LMAC's necessity was questioned during their last review and proposed addressing their effectiveness during this negotiation period. Robert Smythe suggested concerns be referred to the County's Negotiating Committee.

After discussion, on motion of Lori Glasgow, seconded by Dorinne Jordan, the Committee instructed staff to send a memo asking the Chief Executive Office to review the effectiveness of the LMAC and report back at a future meeting.

35. Discuss and take appropriate action on the Committee's role in regards to informing the Board of high profile audits (Continued from the meeting of 4/16/15). (15-1623)

Arlene Barrera, Auditor-Controller, provided a brief overview on their protocols used for alerting the Board Offices of high profile audits.

Dorinne Jordan and Lori Glasgow agreed that a new process is needed to vet the impact of audits, as all reports are not equally sensitive.

On motion of Lori Glasgow, seconded by Kieu-Anh King, this item was continued to the next meeting to allow John Naimo, Auditor-Controller, to be present for the discussion.

36. Pending Audits/Monitoring Reports. (15-2012)

Elaine Boyd, Auditor-Controller (A-C), indicated that Community and Senior Services (CSS) has placed Living Advantage on suspension and may possibly terminate their contract.

Don Chadwick, A-C, indicated that this agency may appear on the next CARD Status Report; CSS is reviewing whether this agency has any new clients and will determine if repayment is owed.

VII. MISCELLANEOUS

37. Matters not on the posted agenda (to be Presented and Placed on the Agenda of a Future Meeting). (15-2014)

There were no matters presented.

38. Public Comment. (15-2015)

No members of the public addressed the Committee.

39. Adjournment. (15-2016)

There being no further business to discuss, the meeting adjourned at 11:42 a.m.